



U.S. Department  
of Transportation  
**Federal Aviation  
Administration**

# Memorandum

**Subject:** **ACTION:** AIR-200 Policy Memorandum #99-05,  
Change of Policy in FAA Order 8120.2A, Production  
Approval and Surveillance Procedures

**Date:** May 4, 1999

**From:** Acting Manager, Production and Airworthiness  
Certification Division, AIR-200

**Reply to  
Attn. of:**

**To:** All Aircraft Certification Directorates  
All Aircraft Certification Offices  
All Manufacturing Inspection Offices and District/Satellite  
Offices  
All Certificate Management Offices  
All Certificate Management Units

**PURPOSE:** This policy memorandum is to change policy concerning priority part supplier surveillance as contained in Federal Aviation Administration (FAA) Order 8120.2A, Production Approval and Surveillance Procedures.

**BACKGROUND:** On February 1, 1999, the Director of the Aircraft Certification Service (AIR-1) announced that, at this time, the FAA would not pursue collecting fees for providing production certification-related services outside of the United States. In that announcement, AIR-1 also stated that priority part suppliers (both international and domestic) would be surveilled using principal inspector (PI) audits, not Aircraft Certification Systems Evaluation Program (ACSEP) evaluations. This process would apply to supplier surveillance performed by the FAA or by a Civil Aviation Authority on the FAA's behalf.

ACSEP evaluations scheduled for priority part suppliers within fiscal year 1999 are cancelled. Currently, there is no plan to resume scheduled ACSEP evaluations at priority part suppliers.

**PROCEDURES:** On March 15, 1999, the following procedures became effective for surveillance of priority part suppliers until the update is made to FAA Order 8120.2A and FAA Order 8100.7, Aircraft Certification Systems Evaluation Program.

The primary method of surveillance for both domestic and international priority part suppliers will be the PI audit. As a minimum, PI audits will consist of the following:

- Determine compliance with the Production Approval Holders (PAH's) purchase order flow-down of technical and quality requirements
- Audit the applicable Title 14 Code of Federal Regulations criteria defined in Order 8100.7, Appendix 6, that are associated with the top four problematic subsystems identified in the most recent annual ACSEP report. That report can be found on the ACSEP Bulletin Board system, or located on the internet at the address: <http://www.faa.gov/avr/air/air200/Acsep-97.pdf>
- Audit all special emphasis items relevant to the priority parts supplier

It will be the responsibility of the accountable directorate to schedule, maintain, and determine the scheduling interval of PI audit activity. Any established schedule for surveillance of priority part suppliers under PI audits will not be incorporated into the ACSEP schedule. The 24-month scheduling interval prescribed by Order 8100.7 to conduct an evaluation of a PAH's priority part supplier(s) will no longer be used; however, other aspects of the scheduling process prescribed in Order 8100.7, paragraph 27, will be retained as follows:

- A coordination committee composed of a representative from each directorate will confer on a yearly basis in order to:
  - Avoid duplication of effort
  - Coordinate resources
  - Identify a lead office to maintain the audit schedule

For international priority part suppliers, PAH notification will continue to be accomplished in accordance with the guidelines and procedures in Order 8100.7, Chapter 3, paragraph 28. For domestic suppliers, PAH notification will be accomplished in a manner acceptable to the directorate.

As indicated in Order 8100.7, unscheduled ACSEP evaluations may be conducted at priority part suppliers when conditions require a more detailed evaluation and will be added to the current fiscal year's ACSEP schedule.

Resource targeting, as established within FAA Notice 8100.14, Implementation of Aircraft Certification Systems Evaluation Program Resource Targeting, is NOT a requirement for the PI audit process. However, it may be used at the discretion of the directorate in order to facilitate the identification and scheduling of PI audits.

RECORDS: Although PI audit results will not be entered in the ACSEP National Database, priority part supplier audit results shall be submitted to the Evaluation and Assessment Branch (AIR-230) for reporting purposes at the end of each fiscal year.

This information shall consist of:

- The number of priority part suppliers audited
- The identification of the priority part suppliers with findings
- The applicable Order 8100.7 criteria number for the findings

If there are any questions, please contact a member of the Production and Airworthiness Certification Division (AIR-200) at (202) 267-8361

/s/

Terry A. Allen